

**AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF EVANSVILLE  
AUTHORIZING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS,  
SERIES 2016 (CONSOLIDATED RAD PROJECTS)**

AN ORDINANCE authorizing the City of Evansville, Indiana, to issue one or more series of its City of Evansville, Indiana Multifamily Housing Revenue Bonds, Series 2016 (Consolidated RAD Projects) (with such further series or other designation as determined to be necessary, desirable or appropriate), in a maximum aggregate principal amount not to exceed Twenty-five Million Dollars (\$25,000,000), and approving and authorizing other actions in respect thereto.

WHEREAS, Indiana Code 36-7-11.9 and 12 (collectively, the “Act”) declares that the financing and refinancing of economic development facilities constitutes a public purpose; and

WHEREAS, pursuant to the Act, the City of Evansville, Indiana (the “City”) is authorized to issue revenue bonds for the purpose of financing, reimbursing or refinancing the costs of acquisition, construction, renovation, installation and equipping of economic development facilities in order to foster diversification of economic development and creation or retention of opportunities for gainful employment in or near the City; and

WHEREAS, EHA RAD I, LP, an Indiana limited partnership (the “RAD I Borrower”) and EHA RAD II, LP, an Indiana limited partnership (the “RAD II Borrower”) or one or more limited liability companies or limited partnerships to be formed by the RAD I Borrower and/or the RAD II Borrower (the affiliated entities together being, the “Developer”) desires to finance a portion of the costs of acquisition, design, construction, renovation, improvement and/or equipping of the following existing apartment buildings located in Evansville, Indiana: 1) Kennedy Towers, located at 315 S.E. Martin Luther King Jr. Blvd., containing 100 residential rental units and functionally related and subordinate facilities (the “Kennedy Project”); 2) Buckner Towers, located at 717 Cherry Street, containing 108 residential rental units and functionally related and subordinate facilities (the “Buckner Project”); 3) Schnute Towers, located at 1030 W. Franklin Street, containing 115 residential rental units and functionally related and subordinate facilities (the “Schnute Project”); and 4) White Oak Towers, located at 509 St. Joseph Avenue, containing 115 residential rental units and functionally related and subordinate facilities (the “White Oak Project”) to be owned by RAD I Borrower; and Caldwell Homes located at 736 Cross Street containing 121 residential rental units and functionally related and subordinate facilities (the “Caldwell Project”) to be owned by RAD II Borrower (the Kennedy Project, the Buckner Project, the Schnute Project, the White Oak Project, and the Caldwell Project, collectively, referred to as the “Project”); and

WHEREAS, the Developer has advised the Evansville Economic Development Commission (the “Commission”) and the City concerning the Project, and has requested that the City issue, pursuant to the Act, one or more series of its taxable or tax-exempt Multifamily Housing Revenue Bonds, Series 2016 (Consolidated RAD Projects) (with such further or different series designation as may be necessary, desirable or appropriate, including such series designation to indicate the year in which the bonds are issued) (the “Bonds”), in an aggregate

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*Anna Widnowski*  
CITY CLERK

principal amount not to exceed Twenty-five Million Dollars (\$25,000,000), for the purpose of providing funds for paying all or a portion of the costs of the Project including but not limited to paying all incidental expenses incurred on account of the issuance of the Bonds; and

WHEREAS, the Commission has rendered a report (the “EDC Report”) concerning the proposed financing of economic development facilities for the Developer and the Plan Commission has been given the opportunity to comment thereon; and

WHEREAS, pursuant to Indiana Code 36-7-12-24, as amended, and Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), the Commission published notice of a public hearing (the “Public Hearing”) on the proposed issuance of the Bonds to finance all or a portion of the Project, and on March 28, 2016 prior in time to the adoption of this Ordinance, the Commission held the Public Hearing for the purpose of receiving evidence and testimony on the Project and matters related to the proposed financing thereof and heard all persons interested in the proceedings and considered written remonstrances and objections, if any; and

WHEREAS, following such Public Hearing, the Commission approved the EDC Report and adopted a resolution (the “EDC Resolution”) making findings that the financing of the Project complies with the purposes and provisions of the Act and that such financing will be of benefit to the health and welfare of the City, will provide affordable housing, and that the Project will not have an adverse competitive effect or impact on any similar facility already constructed or operating in the same market area or in or about Vanderburgh County, Indiana; and

WHEREAS, pursuant to and in accordance with the Act, the City desires to provide funds necessary to finance all or a portion of the Project by issuing the Bonds; and

WHEREAS, the Act provides that such revenue bonds may be secured by a trust indenture between an issuer and a corporate trustee; and

WHEREAS, the City intends to issue the Bonds consistent with the terms of this Ordinance and pursuant to one or more Trust Indentures, to be dated the first day of the month in which the Bonds are sold or delivered (or such other date as the officers of the City may hereafter approve) (the “Indenture(s)”), by and between the City and one or more corporate trustees to be selected by the City (the “Trustee”), in order to obtain funds necessary to provide for the financing of all or a portion of the Project in accordance with the terms of Financing Agreements (as defined in the Act), to be dated as of the first day of the month in which the Bonds are sold or delivered (or such other date as the officers of the City may hereafter approve) (the “Financing Agreements”), by and between the City and the Developer with respect to the Bonds and the Project; and

WHEREAS, pursuant to the Financing Agreements, the Developer will make representations, warranties and commitments with respect to the Project and the use of the proceeds of the Bonds to be provided to the Developer in accordance with the terms thereof; and

WHEREAS, no member of the Common Council for the City of Evansville (the “Common Council”) has any pecuniary interest in the Financing Agreements or any employment, Financing agreement (as defined in the Act) or other contract made under the

provisions of the Act and related to the Bonds authorized herein, which pecuniary interest has not been fully disclosed to the Common Council and no such member has voted on any such matter, all in accordance with the provisions of Indiana Code 36-7-12-16; and

WHEREAS, there has previously been submitted to the Commission for its approval the forms of the Bonds, the Indentures, the Financing Agreements and Regulatory Agreements and Declarations of Restrictive Covenants among the City, the Trustee and RAD I Borrower and RAD II Borrower (collectively, the "Financing Documents"), and a form of this proposed Ordinance, which were incorporated by reference in the EDC Resolution adopted on March 28, 2016, which EDC Resolution has been transmitted hereto; and

WHEREAS, the City expects to pay for certain costs of the Bonds or costs related to the Project (collectively, the "Expenditures") prior to the issuance of the Bonds, and to reimburse the Expenditures with proceeds received by the City upon the issuance of the Bonds; and

WHEREAS, the Common Council has, by way of its Resolution No. C-2015-8, declared its intent to reimburse the Expenditures pursuant to Treas. Reg. §1.150-2 and Indiana Code §5-1-14-6(c); and

WHEREAS, based upon the EDC Report and EDC Resolution, the Common Council hereby finds and determines that the funding approved by the Commission for all or a portion of the Project will be of benefit to the health and general welfare of the citizens of the City, complies with the provisions of the Act and the amount necessary to finance all or a portion of the costs of the Project, together with incidental expenses incurred in connection therewith, will require the issuance, sale and delivery of one or more series of revenue bonds in an aggregate combined principal amount not to exceed Twenty-five Million Dollars (\$25,000,000), :

**BE IT ORDAINED BY THE COMMON COUNCIL OF THE  
CITY OF EVANSVILLE, INDIANA:**

SECTION 1. After considering the evidence presented in the EDC Report and EDC Resolution, it is hereby found, determined, ratified and confirmed that the financing of the economic development facilities referred to in the Financing Documents consisting of the Project, the issuance and sale of the Bonds, and the use of the net proceeds thereof by the Developer to finance all or a portion of the Project, will: (i) promote a substantial likelihood of diversification of industry, the creation or retention of business opportunities and the creation or retention of opportunities for gainful employment within the jurisdiction of the City and the provision of quality, affordable, multifamily rental housing within the jurisdiction of the Issuer; (ii) serve a public purpose, and will be of benefit to the health and general welfare of the City; (iii) comply with the purposes and provisions of the Act and it is in the public interest that the City take such lawful action as determined to be necessary or desirable to encourage the diversification of industry, the creation or retention of business opportunities, and the creation or retention of opportunities for gainful employment and providing affordable multifamily housing within the jurisdiction of the City; and (iv) not have a material adverse competitive effect on any similar facilities already constructed or operating in or near Vanderburgh County, Indiana.

SECTION 2. The forms of the Financing Documents presented herewith are hereby approved, with any and all such changes as may be deemed necessary, desirable or appropriate by the Mayor and the Clerk of the Council (the "Clerk") and all such documents shall be kept on file by the Clerk of the City or the Controller of the City (the "Controller"). In compliance with Indiana Code 36-1-5-4, two (2) copies of the Financing Documents are on file in the office of the Clerk for public inspection.

SECTION 3. The City is authorized to issue the Bonds in one or more series, any series of which may be taxable or tax-exempt for federal income tax purposes, in the maximum aggregate principal amount not to exceed Twenty-five Million Dollars (\$25,000,000), with a maximum term not to exceed four (4) years and with a maximum interest rate not to exceed eight percent (8.0%) per annum, for the purpose of procuring funds to pay all or a portion of the costs of the Project by making all or a portion of the proceeds of the Bonds available as set forth in the Financing Documents and paying incidental expenses incurred on account of the issuance of the Bonds. The Bonds shall be payable as to principal and interest upon such terms and conditions as otherwise provided in the Financing Documents and this Ordinance. The Bonds may be subject to mandatory tender or optional redemption at one or more times prior to maturity. The Bonds shall never constitute a general obligation of, moral obligation of, an indebtedness of, or charge against the general credit of the City or a pledge of the full faith or credit of the City within the purview of any constitutional or statutory limitation or provision.

SECTION 4. The Mayor and the Controller are authorized and directed to sell the Bonds to the purchaser or purchasers thereof at a price not less than 97% of the aggregate principal amount thereof plus accrued interest, if any, at a rate of interest not to exceed eight (8.0%) per annum, and with a final maturity date no later than four (4) years from the date of the issuance of any series of the Bonds. The Bonds may be subject to mandatory tender or optional redemption at one or more times prior to maturity. One or more bond purchase agreements, each in form and substance acceptable to the Mayor and the Clerk (collectively, the "Purchase Agreements"), are hereby authorized and approved, and the Mayor and the Clerk are hereby authorized and directed to execute and deliver the Purchase Agreements in form and substance acceptable to them and consistent with the terms and conditions set forth in this Ordinance, with such to be conclusively evidenced by their execution thereof.

SECTION 5. The Mayor and the Clerk are authorized and directed to execute the Financing Documents, and the Mayor, the Controller, the Clerk and any other officer of the City are authorized and directed to execute such other documents approved or authorized herein and any other document which may be necessary, appropriate or desirable to consummate the transaction contemplated by the Financing Documents and this Ordinance, and their execution is hereby confirmed on behalf of the City. The signatures of the Mayor and the Clerk on the Bonds which may be necessary or desirable to consummate the transaction, and their execution is hereby confirmed on behalf of the City. The signatures of the Mayor and the Clerk on the Bonds may be facsimile signatures. The Mayor, the Clerk, the Controller and any other officer of the City are authorized to arrange for the delivery of the Bonds to the purchaser, payment for which will be made in the manner set forth in the Financing Documents. The Mayor and the Clerk may, by their execution of the Financing Documents requiring their signatures and imprinting of their facsimile signatures thereon, approve any and all such changes therein and also in those

Financing Documents which do not require the signature of the Mayor or the Clerk without further approval of this Common Council or the Commission if such changes do not affect terms set forth in Sections 27(a)(1) through and including (a)(10) of the Act.

SECTION 6. The provisions of this Ordinance and the Financing Documents shall constitute a contract binding between the City and the holder or holders of the Bonds and after the issuance of said Bonds, this Ordinance shall not be repealed or amended in any respect which would adversely affect the right of such holder or holders so long as said Bonds or the interest thereon remains unpaid.

SECTION 7. Subject to the provisions of Sections 5 and 13 of this Ordinance, if necessary or desirable, a Preliminary Official Statement of the City relating to the Bonds (the "Preliminary Official Statement"), in a form acceptable to the Mayor, is hereby (a) authorized and approved, together with such changes in form and substance as may be deemed necessary or appropriate by the Mayor pursuant to Sections 5 and 13 of this Ordinance, (b) authorized and approved, as the same may be appropriately confirmed, modified and amended pursuant hereto, for distribution as the Preliminary Official Statement of the City, (c) authorized to be deemed and determined by the Mayor on behalf of the City, as of its date, to constitute the "final" official statement of the City with respect to the Bonds to be offered thereby, subject to completion as permitted by and otherwise pursuant to the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule"), and (d) authorized and approved, consistent with the provisions of any Purchase Agreement and the SEC Rule, to be placed into final form and distributed and delivered to purchasers and potential purchasers of the Bonds offered thereby as the final official statement of the City, as of the date thereof, with respect to the Bonds (the "Official Statement").

SECTION 8. Subject to the obligations of the Developer set forth in the respective Financing Documents and/or the certificates or agreements of such Developer to be executed upon the issuance of the Bonds, if any of the Bonds are issued on a tax-exempt basis for purposes of federal income taxation, the City will use its best efforts to restrict the use of the proceeds of the Bonds in such a manner and to expectations at the time the Bonds are delivered to the purchasers thereof, so that they will not constitute "arbitrage bonds" under Section 148 of the Code and the regulations promulgated thereunder, or to preserve any other desired tax status under the Code. The Mayor, the Controller and the Clerk, or any other officer having responsibility with respect to the issuance of the Bonds, are authorized and directed, alone or in conjunction with any of the foregoing, or with any other officer, employee, consultant or agent of the City, to deliver a certificate for inclusion in the transcript of proceedings for the Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to the use of the Bond proceeds as of the date of issuance thereof.

SECTION 9. No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Ordinance, the Financing Documents or under any judgment obtained against the City, including without limitation its Economic Development Commission, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of the Financing Documents, shall be had against any member, director, or officer or attorney, as such,

past, present, or future, of the City, including without limitation its Economic Development Commission, either directly or through the City, or otherwise, for the payment for or to the City or any receiver thereof or for or to any holder of the Bonds secured thereby, or otherwise, of any sum that may remain due and unpaid by the City upon any of the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such member, director, or officer or attorney, as such, to respond by reason of any act or omission on his or her part or otherwise for, directly or indirectly, the payment for or to the City or any receiver thereof, or for or to any owner or holder of the Bonds, or otherwise, of any sum that may remain due and unpaid upon the Bonds hereby secured or any at them, shall be expressly waived and released as a condition of and consideration for the execution and delivery of the Financing Documents and the issuance, sale and delivery of the Bonds.

SECTION 10. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 11. All ordinances, resolutions and orders or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

SECTION 12. It is hereby determined that all formal actions of the Common Council relating to the adoption of this Ordinance were taken in one or more open meetings of the Common Council, that all deliberations of the Common Council and of its committees, if any, which resulted in formal action, were in meetings open to the public, and that all such meetings were convened, held and conducted in compliance with applicable legal requirements, including Indiana Code 5-14-1.5, as amended.

SECTION 13. The Mayor, the Controller, the Clerk and any other officer of the City are hereby authorized and directed, in the name and on behalf of the City, to execute, attest and deliver such further instruments and documents, and to take such further actions, in the name of the City as in their judgment shall be necessary or advisable in order fully to consummate the transactions described herein and carry out the purposes of this Ordinance, and any such documents heretofore executed and delivered and any such actions heretofore taken, be, and hereby are, ratified and approved.

SECTION 14. This Common Council hereby declares its official intent, to the extent permitted by law, to issue the Bonds in one or more series or issues, not to exceed the maximum aggregate principal amount authorized herein, and to reimburse costs of the Project consisting of the Expenditures from proceeds of the sale of the Bonds.

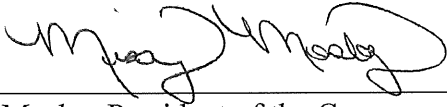
SECTION 15. This Common Council finds and determines that the amount of tax credits to be allocated to the Project under Section 42 of the Internal Revenue Code of 1986, as amended, does not exceed the amount necessary for the financial feasibility of the Project and its viability as a qualified housing project throughout the credit period for the Project. In making the foregoing determination, this Common Council has relied upon representations of the Developer. The foregoing determination shall not be construed to be a representation or warranty by this Common Council as to the feasibility or viability of the Project. In reliance upon the representations of the Developer, it is hereby found and determined that the Project

satisfies the requirements for the allocation of a housing credit dollar amount under the Indiana Housing and Community Development Authority's qualified allocation plan.

SECTION 16. This Ordinance shall be in full force and effect immediately upon adoption by this Common Council and signing by the Mayor.

*(Signature page to follow)*

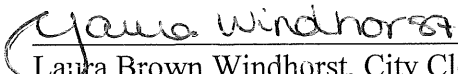
PASSED by the Common Council of the City of Evansville, Indiana, on the 28 day of March, 2016, on said day signed by the President of the Common Council and attested by the City Clerk.



Missy Mosby, President of the Common Council,  
City of Evansville, Indiana

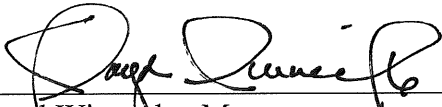
ATTEST: Laura Windhorst

Presented by me, the undersigned City Clerk of the City of Evansville, Indiana, to the Mayor of said City, this 29 day of March, 2016, at 2:30 o'clock p.m. for his consideration and action thereon.



Laura Brown Windhorst, City Clerk  
City of Evansville, Indiana

Having examined the foregoing resolution, I do now, as Mayor of the City of Evansville, Indiana, approve said resolution and return the same to the City Clerk this 30th day of MARCH, 2016, at 4:00 o'clock p.m.



Lloyd Winnecke, Mayor  
City of Evansville, Indiana